

This Application and Promissory Note consists of multiple pages. By signing this Note you agree you have read, understood, and will abide by all terms and conditions set forth herein.

Section One: Disclosures

A. Eligibility Requirements:

In order to qualify for a loan, a borrower must:

1. be a U.S. citizen or an eligible non-citizen, and an Alaska resident.
To meet the residency requirement of this section, you must physically reside in this state and maintain a domicile in this state during the 12 consecutive months before the date of application, except that you may be absent from this state for no more than a total of 60 days during that 12-month period; and you may not have declared or established residency in another state, or received a benefit based on residency from another state.

You must continue to meet the residency requirement of this section each year that you receive or apply for a loan under this Note.

2. not be delinquent or have ever defaulted on a prior student loan or be past due in child support obligations;
3. not have a status at the time of application for a loan, or disbursement of the funds, that would prevent you from repaying the loan as it becomes due;
4. not have a credit history that demonstrates chronic inability or unwillingness to pay an extension of credit, or have a credit-worthy cosigner;
5. within the preceding five years not have had an education loan written-off for any reason except for discharge in bankruptcy; and
6. have complied with any applicable military selective service registration requirements under the Military Selective Service Act. ACPE will automatically register you if you are not already registered when you apply.

In order to qualify for a loan, a student for whom you are borrowing must:

1. attend an eligible postsecondary institution;
2. be enrolled full-time in a career vocational-technical program or an associate, baccalaureate, or graduate degree program;
3. be a student in academic good standing, as defined by the institution you attend, during the loan period;
4. not be delinquent or have ever defaulted on a prior student loan or be past due in child support obligations;
5. if a flight student, hold an applicable pilot's license and be attending an FAA part 141 or 142 approved school. (submit a copy of your pilot's license with your application);
6. within the preceding five years not have had an education loan written-off for any reason except for discharge in bankruptcy;
7. have complied with any applicable military selective service registration requirements under the Military Selective Service Act. ACPE will automatically register you if you are not already registered when you apply; and
8. be a spouse, child, step child, foster child, or grandchild of the borrower.

B. This Is Not A Federal Loan:

For your lowest cost options, talk to your school's financial aid office. Before borrowing any loan, always use grants, scholarships and other funds that do not have to be repaid. Interest rates may be lower for federal loans. If you are attending a Title IV approved school, complete a Free Application for

Federal Student Aid (FAFSA) to ensure that you are considered for all federal and state aid. You can complete your FAFSA online at www.fafsa.ed.gov. Call 1-800-4FED Aid (433-3243) for information on federal student aid programs, including current interest rates, or visit www.studentaid.ed.gov.

C. Interest:

The interest rate for FELs is set annually and is fixed for the life of the loan, not to exceed 8.25%. A disclosure will be sent to you indicating the actual interest rate applicable to each loan prior to the initial disbursement. You have the option to cancel your loan within 30 calendar days of the loan approval. Interest accrual commences upon issuance of the initial disbursement to your school. Interest accrues during in-school or forbearance periods. Accrued and unpaid interest must be satisfied before payments are applied to principal. Accrued and unpaid interest may be capitalized, or added to your loan's principal. If you wish to make payments during the in-school period, please contact ACPE for information. In the event your loan becomes delinquent or in default, you may be responsible for late fees, attorney fees and/or collection costs.

D. Annual Percentage Rate (APR):

The annual percentage rate (APR) is the cost of your credit as a yearly rate. Each time you enter repayment, the APR is calculated based upon the loan's unpaid interest and principal and the remaining months to repay. For this reason, the calculated APR will likely change with each disclosure and will generally be higher than the actual rate at which interest is being charged on your loan balance. The APR also varies due to periods when interest is being charged but is not being paid (e.g. in-school) or when any payments become or remain past due for an extended period of time. The APR also increases if you make reduced monthly payments. Similarly, if you postpone or otherwise delay payment, the APR increases and you pay more interest than the estimated or assumed interest on your original repayment schedule. If you accelerate your repayment schedule, the APR is reduced and less interest is paid.

This table represents estimated rates	Finance Charge	Repayment APR	Interest Rate
Principal Loan Amount \$8,500.	\$4,102	8.25%	8.25%

The rates in this example are calculated based on the maximum rate as specified in AS 14.43.740. Current interest rates and APRs are available at www.AKadventure.alaska.gov. The amount financed in the repayment period is the principal amount of the loan plus interest capitalized at the end of the interim period.

E. Origination Fee:

An origination fee of 5% of your loan amount will be charged on all disbursements made under this program and will be deducted from loan proceeds. This fee does not constitute loan insurance. Once funds are disbursed, the origination fees charged will not be reduced or refunded.

CAUTION

**This is a loan.
Do not borrow needlessly!**

Failure to timely repay this loan may result in, but is not limited to:

- seizure of your Alaska Permanent Fund Dividend
- denial of renewal of Alaska occupational or professional license
- administrative wage and asset garnishment
- adverse reports to consumer reporting agencies
- a judgment in a court of law and/or legal or collection action
- forfeiture of loan deferment rights
- additional costs to you for collection and accrued interest

REMEMBER—Under current loan terms, after four years of borrowing as an undergraduate, monthly payments can be as much as \$500 or even greater at graduate loan maximums.

F. Late Fees and Collection Fees:

In the event your loan becomes past due in payment you may be responsible for late fees, collection fees and/or legal fees.

G. Repayment:

You must repay this loan in monthly installments of at least \$50 within a 10-year repayment period.

Section Two: General Information

A. Governing Law:

Governing Alaska statutes and regulations AS 14.43.710-750 and 20 AAC 15.510-590, as amended from time to time, are incorporated by reference into this Promissory Note.

B. Application Period:

Apply early to ensure timely application processing. Processing normally takes one week except during peak application periods. No application or request for an increased loan amount will be accepted for an enrollment period that has ended.

C. Incorrect Applications:

An application that is incomplete, incorrectly completed, illegible, or non-original may be returned to you unprocessed.

D. Revised Applications:

You must contact ACPE if you change your school, change your dates of attendance, request an increased loan amount, or change enrollment status.

E. Credit Assessment:

Each year that you request funds your credit history will be reviewed and you will also be matched against the Department of Revenue, Child Support Enforcement Division's database, and other databases as may be required by law, to ensure that you continue to be eligible. If you do not meet qualifying criteria, you will be informed in writing of the reason for the denial and any subsequent disbursements will be cancelled.

F. Endorser/Cosigner:

An eligible endorser/cosigner is required if you are under 17 years of age or if you do not meet the requirements. The endorser/cosigner has an independent responsibility to repay the loan and to notify ACPE in the event of changes affecting the endorser/cosigner or the student borrower. ACPE may notify the endorser of delinquency in repayment, deferments granted, or any repayment agreement that increases the amount due on the loan. You may elect to provide an endorser/cosigner to ensure your application is found to be creditworthy. If you elect to provide an endorser/cosigner in support of your loan request, that person will continue to be a responsible party for the loan even in the event you meet the credit conditions independently.

G. Loan Maximums:

For costs related to tuition/fees, room/board, books, supplies, miscellaneous related costs, and allowance for transportation, you may receive for any single student:

- Undergraduate students - up to \$8,500 per academic year
- Graduate students - up to \$9,500 per academic year
- Vocational/flight students - up to \$6,500 per academic year

Aggregate Loan Maximums

- Undergraduate study (including vocational/flight) - \$42,500
- Graduate study - \$47,500
- Combined total - \$60,000

Aggregate maximums include loans paid-in-full and loans from other non-federally guaranteed AlaskAdvantage loan programs. The borrowers aggregate loan limit is \$102,000.

H. Disbursement of Loan Funds:

ACPE will disburse funds through your school's financial aid office. Your loan will generally be disbursed in multiple installments based on the academic terms at the school. If the student is attending a school without standard academic terms, your loan will generally be disbursed in two disbursements, one at the beginning and one at the midpoint of the enrollment period. Loan proceeds will be transmitted via electronic funds transfer (EFT), master warrant, or other means of direct disbursement to your student account depending on the process your school chooses.

I. Allowable Uses of Loan Funds:

This loan may only be used pay for eligible costs of tuition and fees; room and board (living expenses); books, supplies, and miscellaneous program related costs; and allowance for transportation, based on the school's published budget. Loans cannot be made for correspondence study, but students enrolled in accredited or ACPE-authorized distance education programs are eligible to receive funding provided the financial aid office is able to certify attendance.

J. The School You Choose:

ACPE does not attest to the quality of a school or its programs, and it is the student's responsibility to determine if the certificate or degree received meets any state licensing criteria for their intended profession or employment field.

K. Americans With Disabilities Act Compliance:

Otherwise qualified individuals shall not, on the basis of a disability, be discriminated against or excluded from participation in, or the benefits of, the services, programs or activities of ACPE. Please notify ACPE if you need a disability accommodation.

L. Notice of Information Sharing with Institutions and Privacy Act Notice:

Information will be used to verify the identity of the applicant; to determine eligibility; to permit servicing of the loan; and, to locate missing borrowers and collect on delinquent or defaulted loans. The information may be furnished during the life of the loan to holders of this and other Family Education Loans made to the borrower; to educational institutions where the student is enrolled or is accepted for enrollment; to guarantee agencies, and to gov-

ernment agencies or private parties who may be able to provide information necessary for the collection of the loan or to assist in the servicing or collection of the loan. Disclosure of the applicant's social security number (SSN) is required as a condition for participation in the loan program. ACPE may require the SSN under Section 7(a)(2) of the Privacy Act of 1974 (Pub. L. 93-579). The SSN will be used to verify the identity of the applicant, and as an account number identifier throughout the life of the loan. The SSN is used as an identifier in such program activities as: determining program eligibility; verifying school attendance and student status; determining eligibility for deferment or reduced repayments; and skip tracing and collecting in cases of delinquent and defaulted loans. ACPE may utilize your SSN to access state of Alaska or federal databases to determine your eligibility for administrative action or administrative garnishment in cases of default.

A copy of ACPE's Privacy Policy is available on our website.

Line-By-Line Instructions for Completing the Application/Promissory Note

Complete all items except those *SHADED IN GRAY*. Do not use a pencil. Use a black ball point pen or typewriter.

NOTE: Incorrect or incomplete information may cause your application to be rejected.

BORROWER INFORMATION SECTION

1. Borrower's Name

Enter your full legal name including your middle name. If your name has changed since a prior application, attach documentation of the name change (driver's license or marriage certificate).

2. Borrower's Social Security Number

Enter your social security number as it appears on the card issued to you by the Social Security Administration. Incorrect numbers will delay application processing.

3. Borrower's Mailing Address/Telephone Numbers

Enter your mailing address where documents are to be sent. If ACPE does not have your correct address at all times, document processing may be delayed or your loan cancelled. If your address is General Delivery or includes no street name, number or post office box, you must attach a written explanation. If you only have a business; campus; institutional; care of or out-of-state address, you must attach a written explanation. Enter your daytime and evening telephone numbers where we may contact you. If you do not have one, write "none" in the spaces available. Note that ACPE will use any phone numbers provided to place autodialed calls or leave virtual messages in association with servicing of the loan.

4. Borrower's E-mail Address

Enter your E-mail address here.

5. Borrower's Date of Birth

Enter the month, day, and year of your birth.

6. Borrower's Driver's License Number

Enter the state issuing your driver's license and your license number. If you are an Alaska resident and your license was issued by another state, you must attach a letter of explanation.

7. Borrower's Gender

Specify your gender. This field will be used to match the federal database of persons registered for Selective Service.

STUDENT INFORMATION SECTION

8. Student's Name

Enter your full legal name including your middle name. If your name has changed since a prior application, attach documentation of the name change (driver's license or marriage certificate).

9. Student's Social Security Number

Enter your social security number as it appears on the card issued to you by the Social Security Administration. Incorrect numbers will delay application processing.

10. Student's Mailing Address/Telephone Numbers

Enter your mailing address where documents are to be sent. If ACPE does not have your correct address at all times, document processing may be delayed or your loan cancelled. Enter your daytime and evening telephone numbers where we may contact you. If you do not have one, write "none" in the spaces available.

11. Student's E-mail Address

Enter your E-mail address here.

12. Student's Date of Birth

Enter the month, day, and year of your birth.

13. Student's Gender

Specify your gender. This field will be used to match the federal database of persons registered for Selective Service.

14. College/Institution Name

Enter the name and address of the school where you plan to use the loan. Only one school may be listed on an application. If you plan to transfer to a different school, you must contact ACPE. Only one application for the same specified period of attendance will be processed at a time. If you are undecided about where you will attend, give your best estimate and promptly revise your loan application as necessary or when the institution changes.

15. School Identification Code

This field is for ACPE office use only.

16. Major Course of Study/Vocational Program

Specify your major program of study. If you have not yet chosen a major, enter UND. Vocational students must specify their program title. Flight students must attach a copy of your private pilot license, or a copy of your commercial license if you are borrowing this loan for an add-on flight rating.

17. Graduation

Indicate when you expect to complete the degree or certificate program listed.

18. Enrollment Level

Indicate whether you will be an undergraduate, graduate, vocational, or flight student for the academic period specified, and your class standing in the program. If you are an undergraduate and will become a graduate during this school year, you must complete separate loan applications.

19. Terms (Collegiate Students Only)

Check the boxes that indicate the terms you will be attending based on the system used by your institution (e.g. quarter or semester).

20. Dates of Attendance

Enter the beginning and ending dates for the terms you will be attending using this loan.

21. Tuition Type

Indicate the type of tuition you will be charged this school year.

22. Housing Type

Indicate where you will be living during the enrollment period.

REFERENCES

23. References

Both references must be completed.

PROMISSORY NOTE:

24. Signature and Certification

Sign in ink, in the space provided. This is your promise to pay.

Recheck your Application/Promissory Note to make sure you have correctly completed all items.

SECTION A: Borrower Information				<i>Print Neatly in Black Ink or Type</i>	<i>Read the Instructions on Page 4</i>
1. Last Name		First Name		Middle Name	
2. Social Security Number					
3. Mailing Address					
P.O. Box or Street Address				City	
				State	
Daytime Phone Number: () -				Evening Phone Number: () -	
4. Email Address		5. Date of Birth		6. Driver's license	
				State _____	
				# _____	
				7. Gender	
				<input type="checkbox"/> Male <input type="checkbox"/> Female	
SECTION B: Student Information				<i>Print Neatly in Black Ink or Type</i>	<i>Read the Instructions on Page 4</i>
8. Last Name		First Name		Middle Name	
9. Social Security Number					
10. Mailing Address					
P.O. Box or Street Address				City	
				State	
Daytime Phone Number: () -				Evening Phone Number: () -	
11. Email Address		12. Date of Birth			
		13. Gender			
		<input type="checkbox"/> Male <input type="checkbox"/> Female			
14. College Institution		PO Box or Street Address		City St Zip	
				15. School Identification Code (ACPE use only)	
16. Major Course of Study/Vocational Program Title:		17. Expected Graduation Date		18. Enrollment Level (circle one)	
		____/____/____ Mo. Yr		Undergrad Fresh Soph Jr Sr Vocational Grad 1 2 3 4 Flight	
19. Collegiate Terms		20. Dates of Attendance for Loan Period		21. Tuition Type	
<input type="checkbox"/> Fall Sem/Qtr/Tri <input type="checkbox"/> Winter Sem/Qtr/Tri		From ____/____/____ To ____/____/____		<input type="checkbox"/> Resident <input type="checkbox"/> Non-Resident	
<input type="checkbox"/> Spring Sem/Qtr/Tri <input type="checkbox"/> Summer Sem/Qtr/Tri				<input type="checkbox"/> No Differential <input type="checkbox"/> WUE	
22. Type of Housing (circle one)		Campus Housing		Parent's Housing Off-Campus	
23. References: You must provide two separate references with different U.S. mailing addresses. The first reference should be the nearest relative not living with you. Both references must be completed. You should list references that will be able to provide contact information in the future.					
Reference 1	Reference Name				
	Reference Address				
	City, State, Zip Code				
	Telephone		Day Evening		Email:
	Relationship				
Reference 2	Employer				
	Reference Name				
	Reference Address				
	City, State, Zip Code				
	Telephone		Day Evening		Email:
	Relationship				
	Employer				

Loan Amount Financed: The student will receive up to the amount of their eligibility on an annual basis (see loan maximums).

Note: the award amount and the amount the school disburses may be different due to changes in eligibility status between the date of award and the disbursement date.

I understand that institutional financial aid staff are not agents of ACPE and have no authority, express, implied or apparent, to modify terms and conditions of this MPN.

Interest Rate –not to exceed 8.25%.

Origination Fee: An origination fee of 5% of the amount borrowed will be deducted from disbursements as an origination fee.

Promissory Note

The terms of the application/promissory Note packet will be administered according to applicable Alaska law including Alaska Statutes 14.43.710-750 and Alaska Regulations 20 AAC 15.510 – 590, as amended from time to time.

Prepayment

I may at any time, at my option and without penalty, prepay on this loan.

Repayment

I will repay this loan in monthly installments during a repayment period that will begin no later than the 1st of the month following disbursement. I will repay this loan in monthly installments of at least \$50 within a 10-year repayment period. I may request a shorter repayment schedule. Terms and conditions of repayment will be set forth in a separate document that ACPE will send to me before the repayment period begins. I must repay the loan in accordance with the repayment schedule that ACPE gives me. I agree to send any payment noted as “paid in full” to a designated address provided by ACPE for special processing. I authorize the educational institution to pay to ACPE any refund which may be due to me up to the full amount of this loan.

Statement of Educational Purpose

I certify any ACPE funds will be used solely for the expenses listed under Allowable Uses of Loan Funds in the application packet. I understand that I am responsible for immediately repaying any funds received that cannot reasonably be attributed to meeting educational expenses.

Maintaining Alaska Residency or Physical Presence Requirement

I understand that in order to be eligible to receive an FEL I must be a legal Alaska resident. My eligibility to receive new loans continues only while I remain an Alaska resident. Refer to page 1 for the definition of Alaska residency.

Maintaining Academic Good Standing

Academic good standing must be maintained in accordance with the school’s requirements. Students must provide verification of completion of any vocational program of study previously funded by an Alaska state education loan prior to receiving loan funds for any additional vocational program of study.

Changes Requiring Notification

I will report to ACPE in writing any change that affects the conditions of a loan or its repayment schedule, including any:

- a) change of name, address, or telephone number;
- b) change of institution, dates of attendance, or enrollment status;
- c) failure to enroll at the school for the period for which the loan was obtained;
- d) graduation, withdrawal, or dismissal from the course of study for which the loan was awarded; or
- e) inability to make payments as scheduled.

Failure to comply with these requirements may result in ACPE declaring my

loan in default and demanding payment in full of my outstanding loan balance.

Information Sharing

I authorize the release of information pertinent to my loans: (1) by the school or ACPE to the references or endorser/cosigner on the applicable loans, or to members of my immediate family unless I submit written direction otherwise; and (2) by and among my schools, ACPE and the U.S. Department of Education. I further authorize the references provided or any educational institution the student attends to release to ACPE, or subsequent holder or their agents, any requested information pertinent to this loan or to assist in its collection.

Default and Consumer Reporting

If I, the borrower, default on this loan, ACPE may declare the entire unpaid amount of the loan, including interest and fees, immediately due and payable.

Any of the following events could constitute my default status:

- acceptance of disbursements for which the student is not eligible;
- a loan payment was 270 or more days past due;
- falsification of any information in connection with this loan, whether by omission or commission;
- failure to notify ACPE within 30 days after any change that affects the conditions of a loan or its repayment schedule, including any change of name, address, change of institution; change in dates of attendance;
- change in enrollment status;
- withdrawal or dismissal from the course of study for which the loan was awarded; or
- failure of the borrower to maintain Alaska legal residency while borrowing under this program, as applicable.

I understand that if I allow my loan to become seriously delinquent, (180 or more days past due,) the Commission may garnish my Alaska Permanent Fund Dividend or prevent renewal of an Alaska occupational license held by me in an effort to prevent my loan from defaulting. ACPE may transfer my loan to a collection agency or may garnish my wages and assets for collection of this debt.

Information concerning the amount of this loan and its status will be reported to consumer reporting agencies upon initial disbursement. If I default on this loan, the lender will also report the default to consumer reporting agencies. Default status will result in permanent forfeiture of any deferment rights.

Bankruptcy

In the event that bankruptcy proceedings are commenced by or against me, I agree to notify ACPE in writing within 20 days after the petition is filed.

24. I PROMISE TO PAY to the Alaska Commission on Postsecondary Education the loan amount advanced plus interest and fees. I CERTIFY THAT: 1) I am not delinquent, nor have I ever been in default, on any non-federally guaranteed loans received from ACPE, nor had such a loan written off for any reason within the past five years; 2) I am not past due in paying an established child support obligation; 3) I do not have a status that would prevent me from repaying this loan as it becomes due, including any conditions that prevent future employment; 4) I have not defaulted on any consumer loan; 5) I am a U.S. citizen or eligible non-citizen; and 6) I am otherwise qualified to be a borrower for this loan.

We, the borrower and the student, understand that this is a Promissory Note for a loan the borrower is required to repay. We have read and understand all information provided in this packet. We have retained a copy of this Application/Promissory Note packet for our records. By signing, we certify under penalty of perjury that all information provided in support of this application is true to the best of our knowledge and we agree to abide by the terms and conditions of this Note and the application packet and to repay this loan. We agree that any stray marks or notations made to this Master Promissory Note in places other than fields requiring customer completion will not become part of this agreement.

BORROWER: I further certify that: 1) the student is enrolled in an eligible career education or degree program and is not delinquent or in default on any loan received from this agency.

THIS IS A LOAN THAT MUST BE REPAYED— *Note: A person who makes a false certification has committed a criminal offense*

Signature of Borrower (In Ink):

Date

X _____

Signature of Student (In Ink):

Date

X _____

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Sign and return to ACPE at address shown.